



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2011 Biennium

<b>Bill #</b>	SB0006	<b>Title:</b>	Revise public water supply fee law
<b>Primary Sponsor:</b>	Erickson, Ron	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$294,956	\$297,884	\$300,884	\$303,906
<b>Net Impact-General Fund Balance</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

#### Description of fiscal impact:

The fee increase will generate Department of Environmental Quality (DEQ) revenue to cover the costs of implementing and providing services under the Public Water Supplies, Distribution, and Treatment Act.

### FISCAL ANALYSIS

#### Assumptions:

##### **Department of Environmental Quality**

1. The Board of Environmental Review (BER) will assess the funding needs of DEQ's Public Water Supply Program to set the connection fee to fund the program for the next two biennia.
2. The current base line revenue for FY 2009 is estimated at 1,175 transient public water supplies at \$50.00/per connection, 940 small community and non-transient non-community public water supplies at \$100.00/per connection, and 215,675 service connections at \$2.00/per connection for a total of \$584,100.
3. The BER will set the connection fees at \$75.00, \$150.00, and \$3.00, starting in FY 2010.
4. The number of public water supplies will increase by 1% each fiscal year.

5. In FY 2010, 1,187 transient public water supplies will pay the fee of \$75.00. Revenue increases as follows:  
FY 2010 \$29,675 ( $25 \times 1187 = \$29,675$ );  
FY 2011 \$29,975 ( $25 \times 1199 = \$29,975$ );  
FY 2012 \$30,275 ( $25 \times 1,211 = \$30,275$ ); and  
FY 2013 \$30,575 ( $25 \times 1223 = \$30,575$ ).
6. In FY 2010, 949 small community and non-transient non-community public water supplies will pay the minimum fee of \$150.00. Revenue increases as follows:  
FY 2010 \$47,450 ( $50 \times 949 = \$47,450$ );  
FY 2011 \$47,900 ( $50 \times 958 = \$47,900$ );  
FY 2012 \$48,400 ( $50 \times 968 = \$48,400$ ); and  
FY 2013 \$48,900 ( $50 \times 978 = \$48,900$ ).
7. In FY 2010, 217,831 service connections will be assessed the \$3.00 per connection fee. Revenue increases as follows:  
FY 2010 \$217,831 ( $1 \times 217,831 = \$217,831$ );  
FY 2011 \$220,009 ( $1 \times 220,009 = \$220,009$ );  
FY 2012 \$222,209 ( $1 \times 222,209 = \$222,209$ ); and  
FY 2013 \$224,431 ( $1 \times 224,431 = \$224,431$ ).
8. The Public Water Supply Program core duties and functions will not change.

	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>	<u>FY 2012 Difference</u>	<u>FY 2013 Difference</u>
<b><u>Fiscal Impact:</u></b>				
FTE	0.00	0.00	0.00	0.00
<b><u>Expenditures:</u></b>				
<b>TOTAL Expenditures</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Revenues:</u></b>				
State Special Revenue (02)	<u>\$294,956</u>	<u>\$297,884</u>	<u>\$300,884</u>	<u>\$303,906</u>
<b>TOTAL Revenues</b>	<u>\$294,956</u>	<u>\$297,884</u>	<u>\$300,884</u>	<u>\$303,906</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
State Special Revenue (02)	\$294,956	\$297,884	\$300,884	\$303,906

**Effect on County or Other Local Revenues or Expenditures:**

1. Local governments that operate public water supplies will be assessed the higher fees and will recover those costs as provided in MCA 75-6-108 (2).

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Sponsor's Initials\_\_\_\_\_  
Date\_\_\_\_\_  
Budget Director's Initials\_\_\_\_\_  
Date